

The Honorable Thomas T. Glover  
Chapter 11  
Hearing Location: 700 Stewart St., Rm. 7106  
Hearing Date: May 7, 2010  
Hearing Time: 9:30 a.m.  
Response Date: April 30, 2010

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

In re

TACO DEL MAR FRANCHISING CORP.  
2414 SW Andover Street, Ste. D-101  
Seattle, WA 98106

Debtor.

Lead Case No. 10-10528-TTG  
(Administratively Consolidated with  
10-10529-TTG)

**MOTION FOR ORDER APPROVING SALE  
OF ASSETS FREE AND CLEAR**

TACO DEL MAR FRANCHISING CORP., (the “Debtor” or “TDM”) hereby moves the Court for an order pursuant to 11 U.S.C. Section 363 approving the sale of various items of personal property to Ducky’s Office Furniture of furniture from its former offices as listed in Exhibit A to the Declaration of Rick Braa filed in support of this Motion (“Exhibit A”), as well as other personal property Debtor deems surplus and unnecessary to its effective reorganization without further Court approval so long as it has the written concurrence as to the terms of sale (including the disposition of proceeds) of Banner Bank, which has a security interest over such personal property.

**BACKGROUND**

TDM filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Western District of Washington at Seattle on

1 January 22, 2010. TDM is presently operating its business and managing its affairs as a debtor-  
2 in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3 Prior to filing its bankruptcy petition, TDM's corporate office was rented from the  
4 Charles and Emma Frye Free Public Art Museum (the "Museum"). Under the lease agreement  
5 between TDM and the Museum (the "Lease"), TDM leased approximately 5,294 square feet in  
6 Suite D-101 in Building D of the Frye Commerce Center, located at 2414 SW Andover Street in  
7 Seattle, Washington, which lease has been rejected. TDM now seeks authority to sell the  
8 personal identified property in Exhibit A, as well as other personal property the Debtor deems  
9 surplus and unnecessary to its effective reorganization without further Court approval so long as  
10 it has the written concurrence as to the terms of sale (including the disposition of proceeds) of  
11 Banner Bank, which has a security interest over such personal property.  
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14 A true, correct, and complete copy of Exhibit A is submitted concurrently with this  
15 motion as an exhibit to the declaration of Richard Braa.  
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### 17 **AUTHORITY**

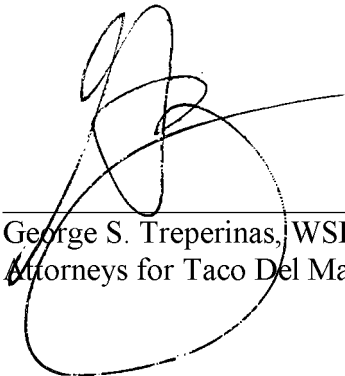
18 Under 11 USC Sec. 1108, unless this Court orders otherwise, the Debtors may operate  
19 during the pendency of their respective chapter 11 cases. Indeed, under 11 USC Sec. 363, the  
20 Debtors are authorized to operate "in the ordinary course of business" and use, sell and lease  
21 their property without order of the Court. Section 363(f) provides that the Debtor may sell  
22 property under subsection (b) free and clear of interests if 1) applicable nonbankruptcy law  
23 permits sale of such property free and clear of such interest, 2) such entity consents, and 3) such  
24 interest is a lien and the price at which such property is to be sold is greater than the aggregate  
25 value of the liens on such property. Here, the Debtor does not believe that there are any  
26 encumbrances against the personal property it proposes to sell except for the blanket security  
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1 interest of Banner Bank, which must provide its written concurrence as to the terms of sale  
2 (including the disposition of proceeds).

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4 **CONCLUSION**

5 Debtor respectfully requests that the Court enter an order approving sale of its personal  
6 property (including the approval of the assets previously sold to the extent that such sales are  
7 deemed outside of the ordinary course of business) in the form of the proposed order being  
8 contemporaneously filed with the Court (i) to the highest and best bidders, (ii) to the extent that  
9 there are any encumbrances affecting the property, free and clear of any such liens, which would  
10 then attach to the proceeds of the sale.  
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12 DATED this 24<sup>th</sup> day of March 2010.

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15 George S. Treperinas, WSBA #15434  
16 Attorneys for Taco Del Mar Franchising Corp.  
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